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Amendment No. 1 to SB0052

**Norris
Signature of Sponsor**

AMEND Senate Bill No. 52

House Bill No. 169*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-4-2009, is amended by adding the following language as a new subsection (10):

(10) A credit shall be allowed against the tax imposed by this part in an amount equal to fifteen percent (15%) of the amount spent by the taxpayer during any income year directly on "qualified research and experimental expenditures," as defined below. For purposes of this section "qualified research and experimental expenditures" shall mean research and experimental expenditures as defined in Section 174 of the Internal Revenue Code or any corresponding internal revenue code of the United States, as amended, and which are incurred for research or experimentation conducted in this state, but only to the extent that the amount of such expenditures by a taxpayer in this state during an income year ending during 2003 or any subsequent year exceeds the amount of such expenditures in this state by the taxpayer during its income year ended in 2002. A credit or any portion of a credit that is allowed under this subsection with respect to any income year commencing on or after January 1, 2003, but is not used by a taxpayer because the amount of the credit exceeds the tax due and owing by the taxpayer shall be carried forward to each of the successive income years until such credit, or applicable portion of the credit, is fully taken. In no case shall a credit, or any portion of a credit, that is not used be carried forward for a period of more than fifteen (15) years.

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SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.